

## Message Text

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ORIGIN COME-00

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R 030231Z JUL 76

FM SECSTATE WASHDC

TO AMEMBASSY PRETORIA

INFO AMCONSUL JOHANNESBURG

UNCLAS STATE 165891

E.O. 11652: N/A

TAGS:EFIN, ETRD, SF

SUBJECT: SOUTH AFRICAN ROYALTY GUIDELINES

REF: PRETORIA A-10

AIRGRAM HAS BEEN MOST HELPFUL IN HANDLING INQUIRIES ON ROYALTY/LICENSING QUESTIONS RE SOUTH AFRICA. INFORMATION RECEIVED INDICATES 4 AND 1/2 TO 7 PERCENT FEES ARE THOSE NOW CONSIDERED FOR THE EXCEPTIONAL AREAS OF HIGH TECHNOLOGY, INTERMEDIATE AND CAPITAL GOODS. CASE HAS COME TO COMMERCE'S ATTENTION IN WHICH DEPARTMENT OF INDUSTRIES IS REVIEWING AN APPLICATION FOR RENEWAL OF ROYALTY AGREEMENT OF TEN YEARS STANDING HAS ORDERED A LOWER FEE (FROM 4 PERCENT DOWN TO 2 PERCENT) ON LOW LEVEL TECHNOLOGY (PLASTIC GLOVES).

COMMERCE WOULD BE MOST INTERESTED IN LEARNING (1) IF REDUCTION MARKS SAG TIGHTENING OF ROYALTY REGULATIONS AND (2) WHAT ARE THE CURRENT ACCEPTABLE LEVELS OF ROYALTY FEES IN THE UNDER 4 PERCENT RANGE FOR NON CAPITAL, NON-HIGH  
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TECHNOLOGY ITEMS. KISSINGER

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## Message Attributes

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